

**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 18 2012**

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
TABLE OF CONTENTS
JUNE 30, 2011

	<u>Exhibit</u>	<u>Schedule</u>	<u>Page</u>
Affidavit	-	-	1
Independent Auditors' Report	-	-	2
Management's Discussion and Analysis	-	-	4
Statement of Net Assets	A	-	9
Statement of Activities	B	-	10
Balance Sheet - Governmental Funds	C	-	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	-	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	E	-	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	-	14
Statement of Fiduciary Assets and Liabilities - Fiduciary Funds	G	-	15
Notes to the Financial Statements	-	-	16
Required Supplementary Information	-	-	27
Schedule of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds - Budget (GAAP Basis) and Actual	-	1	28
Other Supplementary Information	-	-	29
Schedule of Findings and Questioned Costs	-	2	30
Affidavit of Ad Valorem	-	-	31
Schedule of Ad Valorem Taxes Assessed and Uncollected	-	3	32
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	-	-	33
Summary Schedule of Prior Audit Findings	-	4	35
Corrective Action Plan for Current Year Audit Findings	-	5	36
Management Letter	-	-	37

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

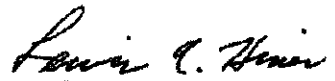
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Johnny Ray Norman, Red River Parish Sheriff, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Red River Parish Sheriff at June 30, 2011 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.


Sheriff

Sworn to and subscribed before me, this 20th day of December, 2011.


NOTARY PUBLIC
15689
LEWIS C HINES

HINES, SHEFFIELD & SQUYRES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUYRES, CPA
JAY H. SHEFFIELD, CPA
JAMES S. SHEFFIELD, CPA

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

INDEPENDENT AUDITORS' REPORT

Honorable Johnny Ray Norman
Red River Parish Sheriff
P.O. Box 375
Coushatta, Louisiana 71019

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Red River Parish Sheriff, Coushatta, Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Red River Parish Sheriff's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Red River Parish Sheriff as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 20, 2011, on our consideration of the Red River Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4 through 8 and 28, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Red River Parish Sheriff's financial statements as a whole. The accompanying information identified in the table of contents as Other Supplementary Information and Schedule of Ad Valorem Taxes Assessed and Uncollected is presented for the purposes of additional analysis and is not a required part of the financial statements. The Other Supplementary Information schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Schedule of Ad Valorem Taxes Assessed and Uncollected has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The financial information for the year ended June 30, 2010, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated November 18, 2010, on the basic financial statements of the Red River Parish Sheriff.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

December 20, 2011

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

The Management's Discussion and Analysis of the Red River Parish Sheriff's financial performance presents a narrative overview and analysis of Red River Parish Sheriff's financial activities for the year ended June 30, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Red River Parish Sheriff's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- 1) The Red River Parish Sheriff had cash and cash equivalents of \$19,146,985 at June 30, 2011, which represents an increase of \$8,172,244 from the prior year end.
- 2) The Red River Parish Sheriff had accounts receivable of \$881,644 at June 30, 2011, which represents a decrease of \$275,783 from the prior year end.
- 3) The Red River Parish Sheriff had accounts payable and accruals of \$175,346 at June 30, 2011, which represents a decrease of \$392,037 from the prior year end.
- 4) The Red River Parish Sheriff had total revenues of \$12,141,703 for the year ended June 30, 2011 which represents an increase of \$1,296,293 from the prior year.
- 5) The Red River Parish Sheriff had ad valorem and sales taxes of \$11,217,798 for the year ended June 30, 2011 which represents an increase of \$1,312,781 from the prior year.
- 6) The Red River Parish Sheriff had fees, charges and commissions for services of \$570,647 for the year ended June 30, 2011 which represents a decrease of \$92,222 from the prior year.
- 7) The Red River Parish Sheriff had total expenses of \$3,852,516 for the year ended June 30, 2011, which represents an increase of \$454,429 from the prior year.
- 8) The Red River Parish Sheriff had personal services expense of \$3,220,298 for the year ended June 30, 2011, which represents an increase of \$411,311 from the prior year.
- 9) The Red River Parish Sheriff had operating services of \$187,962 for the year ended June 30, 2011 which represents a decrease of \$41,999 from the prior year.
- 10) The Red River Parish Sheriff had capital asset purchases of \$255,144 for the year ended June 30, 2011, which represents a decrease of \$108,467 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Red River Parish Sheriff as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Red River Parish Sheriff as a whole and present a longer-term view of the Sheriff's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Sheriff's net assets and changes in them. You can think of the Sheriff's net assets, the difference between assets and liabilities, as one way to measure the Sheriff's financial health, or financial position. Over time, increases or decreases in the Sheriff's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 11. All of the Sheriff's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Sheriff's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Sheriff's activities as well as what remains for future spending.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2011

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 20,038,889	\$ 12,140,848
Capital assets, net	<u>527,221</u>	<u>431,852</u>
Total Assets	<u>\$ 20,566,110</u>	<u>\$ 12,572,700</u>
Other liabilities	\$ 175,346	\$ 567,383
Compensated absences payable	0	0
Other post employment benefits payable	<u>194,474</u>	<u>98,214</u>
Total Liabilities	<u>369,820</u>	<u>665,597</u>
Net assets		
Investment in capital assets, net of related debt	527,221	431,852
Unrestricted	<u>19,669,069</u>	<u>11,475,251</u>
Total Net Assets	<u>20,196,290</u>	<u>11,907,103</u>
Total Liabilities and Net Assets	<u>\$ 20,566,110</u>	<u>\$ 12,572,700</u>

Net assets of the Red River Parish Sheriff increased by \$8,289,187 or 69.52% from the previous fiscal year. The increase is the result of operating and nonoperating revenues exceeding expenses during the fiscal year ended 2011 (See table below).

Statement of Activities
For the Year Ended

	<u>2011</u>	<u>2010</u>
General government		
Expenses	\$ (3,852,516)	\$ (3,398,087)
Program revenues		
Fees, charges, and commissions for services	570,647	662,869
Operating grants and contributions	148,180	163,276
Capital grants and contributions	<u>5,264</u>	<u>8,850</u>
Subtotal	(3,128,425)	(2,563,092)
General revenues	<u>11,417,612</u>	<u>10,010,415</u>
Change in net assets	<u>\$ 8,289,187</u>	<u>\$ 7,447,323</u>

The Red River Parish Sheriff's total revenues increased by \$1,296,293 or 11.95% from the previous year. The total cost of all programs and services increased by \$454,429 or 13.37% from the previous year.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2011

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the Red River Parish Sheriff had \$527,221, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and deductions) of \$95,369 or 22.08% from the previous year.

Capital Assets at Year End
(Net of Depreciation)

	<u>2011</u>	<u>2010</u>
Land	\$ 22,278	\$ 22,278
Construction in progress	78,292	0
Buildings and building improvements	2,510	3,765
Automobile	345,291	339,444
Furniture, fixtures and equipment	<u>78,850</u>	<u>66,365</u>
Total	<u>\$ 527,221</u>	<u>\$ 431,852</u>

This year's major additions included:

Construction in progress	\$ 78,292
Automobile	\$ 144,339
Furniture, fixtures and equipment	\$ 32,513

This years's major retirements included:

Automobile	\$ 243,040
------------	------------

Debt

The Red River Parish Sheriff had \$194,474 in other post employment benefits payable outstanding at year end compared to \$98,214 at the previous year end. This amount represents a net increase of \$96,260 or 98.01% from the previous year end as shown in the table below.

Outstanding Debt at Year End

	<u>2011</u>	<u>2010</u>
Other post employment benefits payable	\$ 194,474	\$ 98,214
Totals	<u>\$ 194,474</u>	<u>\$ 98,214</u>

New debt during the year included:

None.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2011

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$812,449 less than budgeted amounts due to taxes being less than expected.

Actual expenditures were \$577,292 less than budgeted amounts due to personal services being less than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Red River Parish Sheriff's elected official considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental revenues
- 3) Fees, charges, and commissions for services

The Red River Parish Sheriff does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE RED RIVER PARISH SHERIFF'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Red River Parish Sheriff's finances and to show the Red River Parish Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Johnny Ray Norman, Red River Parish Sheriff, P. O. Box 375, Coushatta, Louisiana 71019.

EXHIBIT A

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 19,146,985	\$ 10,974,741
Accounts receivable	881,644	1,157,427
Prepaid expenses	<u>10,260</u>	<u>8,680</u>
Total Current Assets	20,038,889	12,140,848
Noncurrent Assets		
Capital assets, net	<u>527,221</u>	<u>431,852</u>
Total Assets	<u>\$ 20,566,110</u>	<u>\$ 12,572,700</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	\$ <u>175,346</u>	\$ <u>567,383</u>
Total Current Liabilities	175,346	567,383
Noncurrent Liabilities		
Compensated absences payable	0	0
Other post employment benefits payable	<u>194,474</u>	<u>98,214</u>
Total Liabilities	369,820	665,597
NET ASSETS		
Investment in capital assets, net of related debt	527,221	431,852
Unrestricted	<u>19,669,069</u>	<u>11,475,251</u>
Total Net Assets	<u>20,196,290</u>	<u>11,907,103</u>
Total Liabilities and Net Assets	<u>\$ 20,566,110</u>	<u>\$ 12,572,700</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011				2010	
Expense	Fees, Charges, and Commissions for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets	Revenue and Changes in Net Assets	
General Government						
Personal services	\$ 3,220,298	\$ 495,281	\$ 129,834	\$ 0	\$ (2,595,183)	\$ (2,100,333)
Travel	1,759	271	71	0	(1,417)	(1,240)
Operating services	187,962	28,908	7,578	0	(151,476)	(171,947)
Supplies	265,305	40,804	10,697	0	(213,804)	(159,005)
Professional services	35,000	5,383	0	0	(29,617)	(21,357)
Depreciation	142,192	0	0	5,264	(136,928)	(109,210)
Total General Government	<u>\$ 3,852,516</u>	<u>\$ 570,647</u>	<u>\$ 148,180</u>	<u>\$ 5,264</u>	<u>(3,128,425)</u>	<u>(2,563,092)</u>
General Revenues						
Taxes				11,217,798		9,905,017
State revenue sharing				69,120		69,012
Interest and investment income				35,745		30,784
Miscellaneous				94,949		5,602
Total General Revenues				<u>11,417,612</u>		<u>10,010,415</u>
Change in Net Assets				8,289,187		7,447,323
Net Assets, Beginning of year				<u>11,907,103</u>		<u>4,459,780</u>
Net Assets, End of year				<u>\$ 20,196,290</u>		<u>\$ 11,907,103</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 19,146,985	\$ 10,974,741
Accounts receivable	881,644	1,157,427
Prepaid expenses	<u>10,260</u>	<u>8,680</u>
Total Assets	<u>\$ 20,038,889</u>	<u>\$ 12,140,848</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accruals	<u>\$ 175,346</u>	<u>\$ 567,383</u>
Total Liabilities	175,346	567,383
FUND BALANCES		
Nonspendable	10,260	8,680
Committed		
Other post employment benefits	1,500,000	1,500,000
Unassigned	<u>18,353,283</u>	<u>10,064,785</u>
Total Fund Balances	<u>19,863,543</u>	<u>11,573,465</u>
Total Liabilities and Fund Balances	<u>\$ 20,038,889</u>	<u>\$ 12,140,848</u>

The accompanying notes are an integral part of this statement.

EXHIBIT D

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total Fund Balances for Governmental Funds (Exhibit C) \$ 19,863,543

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 22,278	
Construction in progress	78,292	
Buildings and building improvements, net of \$22,587 in accumulated depreciation	2,510	
Automobile, net of \$387,024 in accumulated depreciation	345,291	
Furniture, fixtures and equipment net of \$55,145 in accumulated depreciation	<u>78,850</u>	
Total Capital Assets		527,221

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities.

Compensated absences payable	0	
Other post employment benefits payable	\$ 194,474	
Total Long-term Liabilities		<u>(194,474)</u>

Total Net Assets of Governmental Activities (Exhibit A) \$ 20,196,290

EXHIBIT E

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
REVENUES		
Taxes	\$ 11,217,798	\$ 9,905,017
State revenue sharing	69,120	69,012
Intergovernmental revenues	153,444	172,126
Fees, charges, and commissions for services	570,647	662,869
Interest and investment income	35,745	30,784
Miscellaneous	<u>112,532</u>	<u>9,402</u>
Total Revenues	12,159,286	10,849,210
EXPENDITURES		
General government		
Personal services	3,124,038	2,710,773
Travel	1,759	1,659
Operating services	187,962	229,961
Supplies	265,305	212,654
Professional services	35,000	26,766
Capital outlay	<u>255,144</u>	<u>363,611</u>
Total Expenditures	<u>3,869,208</u>	<u>3,545,424</u>
Excess/(Deficiency) Of Revenues Over Expenditures	8,290,078	7,303,786
Fund Balance, Beginning of year	<u>11,573,465</u>	<u>4,269,679</u>
Fund Balance, End of year	<u>\$ 19,863,543</u>	<u>\$ 11,573,465</u>

The accompanying notes are an integral part of this statement.

EXHIBIT F

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ 8,290,078

The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$255,144) exceeds depreciation (\$142,192) in the current period. 112,952

In the statement of activities, only the gain/loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the portion of the assets sold that have not been depreciated. (17,583)

Some expenses reported in the statement of activities, such as other post employment benefits, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (96,260)

Change in Net Assets of Governmental Activities (Exhibit B) \$ 8,289,187

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2011 AND 2010

	<u>2011</u>				<u>2010</u>
	<u>Fines, Bonds and Costs Fund</u>	<u>Civil Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ <u>191,407</u>	\$ <u>28,577</u>	\$ <u>43,064</u>	\$ <u>263,048</u>	\$ <u>255,881</u>
Total Assets	\$ <u>191,407</u>	\$ <u>28,577</u>	\$ <u>43,064</u>	\$ <u>263,048</u>	\$ <u>255,881</u>
LIABILITIES					
Due to others	\$ <u>191,407</u>	\$ <u>28,577</u>	\$ <u>43,064</u>	\$ <u>263,048</u>	\$ <u>255,881</u>
Total Liabilities	\$ <u>191,407</u>	\$ <u>28,577</u>	\$ <u>43,064</u>	\$ <u>263,048</u>	\$ <u>255,881</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas.

As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. Additionally, the sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsmen licenses, and fines, costs, and bond forfeitures imposed by the district court.

A. Basis of Presentation

The accompanying financial statements of the Red River Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. Reporting Entity

GASB Statement 14 establishes the criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under these provisions, the Red River Parish Sheriff is considered a primary government, since the Sheriff is an independently elected parish official and is not fiscally dependent on any other governmental entity. The primary government is required to consider all entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The accompanying financial statements present information only on the funds that comprise the Red River Parish Sheriff, the primary government.

C. Fund Accounting

The basic financial statements include both government-wide financial statements (based on the Sheriff as a whole) and fund financial statements. In the government-wide Statement of Net Assets, the activities are presented on a consolidated basis and are reflected on a full accrual economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include a) fees, charges, and commissions for services provide by the Sheriff, and b) grants and contributions

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statements (Continued)

that are restricted to meeting the operational or capital requirements of the Sheriff. Taxes and other items that are not included among program revenues and do not a direct relationship with program expenses are reported as general revenues.

Separate financial statements are provided for governmental funds . Major individual governmental funds are reported as separate columns in the fund financial statements.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues, expenses, gains, losses, assets and liabilities resulting from nonchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. revenues are recognized when measurable and available. Revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgements are recorded only when payment is due. Taxes, fees, charges and commissions for services, grants and similar items that all eligibility requirements have been met, and interest and investment income are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

A reconciliation with brief explanations to better identify the differences between the government - wide statements and the statements for governmental funds is presented since they are prepared using different approaches.

The Sheriff uses the following governmental fund:

The General Fund is the primary operating fund of the sheriff and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to sheriff policy. The Sheriff's primary sources of revenues are ad valorem taxes, state revenue sharing, intergovernmental revenues, and fees, charges and commissions for services. General operating expenditures are paid from this fund.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus/Basis of Accounting (Continued)

The Sheriff uses the following fiduciary funds:

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The agency funds (Tax Collector Fund, Fines, Bonds and Costs Fund, and Civil Fund) are used as depositories for ad valorem taxes, civil suits, cash bonds, taxes and fees. Disbursements from the funds are made to various parish agencies, litigants in suits, and others, in the manner prescribed by law.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government does not have any business-type activities or enterprise funds and has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include a) fees, charges and commissions for services, b) operating grants and contributions, and c) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Red River Parish Sheriff prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Sheriff amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

G. Investments

Investments are limited by Louisiana Revised Statute and the sheriff's investment policy. Under state law, the Sheriff may invest in obligations of the U. S. Treasury and U. S. Agencies, or certificates of deposit. Investments are carried at fair market value as of the balance sheet date.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

I. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2011, \$0 were considered uncollectible.

J. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Red River Parish Sheriff are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

K. Compensated Absences

Full-time employees that have been employed one year earn one week of vacation and two weeks of sick leave and employees that have been employed two or more years earn two weeks of vacation and two weeks of sick leave per year. Vacation leave does not carryover or accumulate from one fiscal year to the next, and there are no vesting privileges. Sick leave does carryover from one fiscal year to the next and can be accumulated up to a maximum of four week; however, there are no vesting privileges. Therefore no liability for compensated absences has been recorded in the accompanying financial statements.

L. Restricted Net Assets

In the government-wide statements, equity is classified as net assets and displayed in three components:

1. Investment in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets.
2. Restricted net assets - consists of net assets with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - all other net assets.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components:

1. *Nonspendable* - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. *Restricted* - amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation.
3. *Committed* - amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority (Sheriff). These amounts can not be used for any other purposes unless the government takes the same highest level action to remove or change the constraint.
4. *Assigned* - amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the Sheriff or their designee.
5. *Unassigned* - all other spendable amounts.

The Sheriff establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution.

The Red River Parish Sheriff typically uses restricted fund balances first, followed by committed, assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund balance classifications could be used.

N. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the sheriff, which are either unusual in nature or infrequent in occurrence.

O. Sales Taxes

The Red River Parish Sheriff collects a one percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated and used for salaries and benefits of deputies and acquiring, maintaining and operating of sheriff's vehicles and equipment.

P. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, and expenses during the reporting period. Actual results could differ from those estimates.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 2 LEVIED TAXES

The Red River Parish Sheriff levies taxes on real and business personal property located within its boundaries. Ad valorem taxes are assessed on a calendar year basis, levied and become due on November 15 of each year and become an enforceable lien on property as of December 31 of each year. The following is a summary of authorized and levied ad valorem taxes as of June 30, 2011:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law enforcement	13.71	13.71	Statutory

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Red River Parish Sheriff may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Sheriff may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts mutually acceptable to both parties.

At June 30, 2011, the Red River Parish Sheriff had bank deposits per books of \$19,409,433, as follows:

Demand deposits	\$ 1,725,369
Interest-bearing demand deposits	17,574,467
Certificates of deposit, maturities less than 90 days	109,597
Total	<u>\$ 19,409,433</u>

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 19,308,131</u>	<u>\$ 109,597</u>	<u>\$ 19,417,728</u>

The following is a breakdown by banking institution and amount of the balances shown above:

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

A. Deposits with Financial Institutions (Continued)

<u>Banking Institution</u>	<u>Amount</u>
American Bank & Trust Co	\$ 203,391
Bank of Coushatta	17,604,740
Sabine State Bank	1,609,597
Total	<u>\$ 19,417,728</u>

B. Investments

At June 30, 2011, the Red River Parish Sheriff had investments of \$0.

NOTE 4 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at June 30, 2011:

<u>Class of Receivable</u>	
Taxes	\$ 812,302
Fees, charges, and commissions for services	30,549
Other	38,793
Total	<u>\$ 881,644</u>

NOTE 5 CAPITAL ASSETS

A summary of Red River Parish Sheriff's capital assets at June 30, 2011 follows:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>
Capital Assets, not being depreciated				
Land	\$ 22,278	\$ 0	\$ 0	\$ 22,278
Construction in progress	0	78,292	0	78,292
Total Capital Assets, not being depreciated	22,278	78,292	0	100,570
Capital Assets, being depreciated				
Buildings and building improvements	25,097	0	0	25,097
Less accumulated depreciation	(21,332)	(1,255)	0	(22,587)
Total Buildings and Building Improvements	3,765	(1,255)	0	2,510
Automobile	831,016	144,339	(243,040)	732,315
Less accumulated depreciation	(491,572)	(120,909)	225,457	(387,024)
Total Automobile	339,444	23,430	(17,583)	345,291
Furniture, fixtures and equipment	101,482	32,513	0	133,995
Less accumulated depreciation	(35,117)	(20,028)	0	(55,145)
Total Furniture, fixtures and equipment	66,365	12,485	0	78,850
Total Capital Assets, being depreciated	409,574	34,660	(17,583)	426,651
Total Capital Assets, net	<u>\$ 431,852</u>	<u>\$ 112,952</u>	<u>\$ (17,583)</u>	<u>\$ 527,221</u>

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 6 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at June 30, 2011:

<u>Class of Payable</u>	
Vendor	\$ 87,501
Salaries and related benefits	87,845
Other	0
Total	<u>175,346</u>

NOTE 7 LEASES

The Red River Parish Sheriff was not obligated under any capital or operating lease agreements at June 30, 2011.

NOTE 8 PENSION PLAN

Substantially all employees of the sheriff's office are members of the Sheriff's Pension and Relief Fund ("System"), a multiple-employer, cost-sharing public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of sheriffs and their staffs, which is administered and controlled by a separate board of trustees. Contributions of participating sheriffs, together with shared local and state revenues, are pooled within the System to fund accrued benefits, with employer/employee contribution rates approved by the Louisiana Legislature.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month and who are between the ages of 18 and 50 at the time of original employment are required to participate in the system. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their average final salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 percent if total service is at least 12 but less than 15 years, 2.75 percent if total service is at least 15 but less than 20 years, and 3 percent if total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 percent of the final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service, and who do not withdraw their employee contributions, may retire at or after age 55 and receive the benefits accrued to their date of termination. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between the ages of 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Sheriffs Pension & Relief Fund, Monroe, Louisiana, 71210-3163 or by calling (318) 362-3188.

Contributions to the system include one-half of 1 percent of the taxes shown to be collectible by the tax rolls of each parish and a direct appropriation from the State of Louisiana. State statute required covered employees to contribute 10.00% of their salary to the system and required an employer contribution equal to 12.00% of each covered employee's salary. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Red River Parish Sheriff's contributions to the System for the years ending June 30, 2011, 2010 and 2009 were \$300,196, \$181,297 and \$127,881, respectively, equal to the required contribution for each year.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

The Red River Parish Sheriff provides certain continuing health care and life insurance benefits for its retired employees. The employees become eligible for these benefits upon actual retirement. These benefits are determined based on the employees age and length of service. The plan is an agent multiple-employer defined benefit health care plan administered by the Louisiana Sheriffs' Association. The plan does not issue a publicly available financial report.

Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents. The Red River Parish Sheriff recognizes the cost of providing post employment medical and life benefits as an expense when the benefit premiums are due. The benefits are financed on a pay-as-you-go basis with the Red River Parish Sheriff contributing \$36,630 for retirees in 2011.

The Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post employment benefits. The ARC for the fiscal year 2011 is \$132,889 as set forth below:

Normal cost	\$ 43,917
30-year UAL amortization amount	88,973
Interest on the above	0
Annual required contribution (ARC)	<u>\$ 132,890</u>

The following table presents the Sheriff's OPEB Obligation for the year ended June 30, 2011:

Beginning net OPEB obligation, July 1, 2010	\$ 98,214
Annual required contribution	132,890
Interest on net OPEB obligation	0
OPEB cost	132,890
Contributions made (retiree cost)	<u>(36,630)</u>
Change in net OPEB obligation	<u>96,260</u>
Ending net OPEB obligation, June 30, 2011	<u>\$ 194,474</u>

The Red River Parish Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011, 2010 and 2009 are as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
06/30/2009	N/A	N/A	N/A
06/30/2010	\$ 132,890	26.09%	\$ 98,214
06/30/2011	\$ 132,890	27.56%	\$ 194,474

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The funded status of the plan as of June 30, 2011, was as follows:

Actuarial accrued liability (AAL)	\$ 1,444,914
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,444,914</u>
 Funded ratio (actuarial value of plan assets/AAL)	 0.00%
 Covered payroll (annual payroll of active employee covered by the plan)	 2,053,024
UAAL as a percentage of covered payroll	70.38%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility is actuarial accrued liabilities consistent with the long-term perspective of the calculations.

The Red River Parish Sheriff's office uses the Alternative Measurement Method to calculate the cost of the post employment benefits plan. The assumptions included a 5.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.0% scaling down to ultimate rates of 4.7% per year. The actuarial assumptions also include a payroll growth of 1.0% per annum. The Sheriff's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The amortization period used by the Sheriff's office was 30 years.

NOTE 10 TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, may give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of a notice, the amount paid shall be segregated and held by the tax collector for a period of thirty days. If a suit is filed within 30 days, the segregated funds shall be held pending outcome of the suit. If the taxpayer prevails, the Tax Collector shall refund the amount due with interest from the date the funds were received by the Tax Collector. There were \$0 in ad valorem taxes paid under protest at June 30, 2011.

NOTE 11 LITIGATION

The Red River Parish Sheriff was a defendant in one lawsuit as of the close of business on June 30, 2011. This lawsuit was settled without payment by the Sheriff in July 2011.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

NOTE 12 RISK MANAGEMENT

The Red River Parish Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

NOTE 13 EXPENDITURES OF THE SHERIFF PAID BY THE PARISH POLICE JURY

The Red River Parish Police Jury provided the Red River Parish Sheriff with office space and paid the related utilities of that office space for the year ended June 30, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fav./Unfav.</u>
REVENUES				
Taxes	\$ 7,300,000	\$ 12,080,000	\$ 11,217,798	\$ (862,202)
State revenue sharing	68,000	69,120	69,120	0
Intergovernmental revenues	144,850	155,615	153,444	(2,171)
Fees, charges, and commissions for services	530,000	506,000	570,647	64,647
Interest	15,000	35,000	35,745	745
Miscellaneous	<u>40,000</u>	<u>126,000</u>	<u>112,532</u>	<u>(13,468)</u>
Total Revenues	8,097,850	12,971,735	12,159,286	(812,449)
EXPENDITURES				
General government				
Personal services	3,650,000	3,700,000	3,124,038	575,962
Travel	10,000	4,500	1,759	2,741
Operating services	300,000	250,000	187,962	62,038
Supplies	250,000	275,000	265,305	9,695
Professional services	20,000	37,000	35,000	2,000
Capital outlay	<u>50,000</u>	<u>180,000</u>	<u>255,144</u>	<u>(75,144)</u>
Total Expenditures	<u>4,280,000</u>	<u>4,446,500</u>	<u>3,869,208</u>	<u>577,292</u>
Excess/(Deficiency) Of Revenues Over Expenditures	3,817,850	8,525,235	8,290,078	(235,157)
Fund Balance, Beginning of year	<u>11,573,465</u>	<u>11,573,465</u>	<u>11,573,465</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 15,391,315</u>	<u>\$ 20,098,700</u>	<u>\$ 19,863,543</u>	<u>\$ (235,157)</u>

OTHER SUPPLEMENTARY INFORMATION

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued: | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weakness(es) identified? | No |
| | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to financial statements noted? | No |

SECTION #2

FINANCIAL STATEMENT FINDINGS

- | | |
|---------|--|
| 2011-01 | Actual revenues of the Red River Parish Sheriff were \$812,449 (6.26%) less than budgeted amounts in 2011. |
|---------|--|

STATE OF LOUISIANA, PARISH OF NATCHITOCHES

AFFIDAVIT

JOHNNY RAY NORMAN, SHERIFF OF RED RIVER PARISH

BEFORE ME, the undersigned authority, personally came and appeared, Johnny Ray Norman, the Sheriff of Red River Parish, State of Louisiana, who after being sworn, deposed and said:


The following information is true and correct:

\$43,064.38 is the amount of cash on hand in the tax collector account on June 30, 2011;

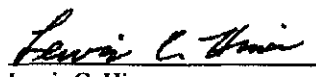
He further deposed and said:

All itemized statements of the amount of taxes collected for the tax year 2010, by taxing authority, are true and correct.

All itemized statement of all taxes assessed and uncollected, which indicated the reason for the failure to collect, by taxing authority, are true and correct.


Johnny Ray Norman
Sheriff of Red River Parish

Sworn to and subscribed before me, this 20th day of December, 2011.


Lewis C. Hines
Notary Public, # 15689
Natchitoches Parish, Louisiana

SCHEDULE 3

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
SCHEDULE OF AD VALOREM TAXES ASSESSED AND UNCOLLECTED
FOR THE YEAR ENDED JUNE 30, 2011

<u>Entity</u>	<u>Mills/Rate</u>	<u>Assessed Taxes</u>	<u>Uncollected Taxes</u>
Parish Tax	3.41	\$ 367,338	\$ 3,377
Parish Tax Inside	1.70	11,881	5,233
Forestry Tax	0.08	8,172	0
Red River Levee District	4.55	240,900	227
Red River Levee Per Acre	0.05	3,860	0
Red River Per Mile	0.60	3,353	0
Bossier Levee	4.11	7,952	15,181
Louisiana Tax Commission Assessment Fee	0.10	3,051	0
Louisiana Tax Commission Assessment Fee	0.15	209	0
Library Tax	6.66	764,063	2,542
Health Unit and Public Facilities Tax	4.76	546,087	2,180
School Tax	39.77	4,562,580	0
School Consul	5.50	631,024	0
Sheriff Tax	13.71	1,572,867	0
Red River Waterway	2.34	267,544	893
Fire District	7.10	814,545	2,710
Council on Aging	0.95	108,992	0
Red River Assessment District	9.05	1,038,265	3,454
Total		<u>\$ 10,952,683</u>	<u>\$ 35,797</u>

EXPLANATION FOR AD VALOREM TAXES ASSESSED AND UNCOLLECTED AS OF JUNE 30, 2011:

Several items were on hold for change orders to be completed and no response to collection efforts on moveable property which could not be located.

HINES, SHEFFIELD & SQUYRES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUYRES, CPA
JAY H. SHEFFIELD, CPA
JAMES S. SHEFFIELD, CPA

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Johnny Ray Norman
Red River Parish Sheriff
P. O. Box 375
Coushatta, Louisiana 71019

We have audited the accompanying basic financial statements of the governmental activities and the aggregate remaining fund information of the Red River Parish Sheriff, Coushatta, Louisiana, as of and for the year ended June 30, 2011, and have issued our report dated December 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Red River Parish Sheriff is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Red River Parish Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Red River Parish Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Red River Parish Sheriff's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Red River Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards. A description of the finding can be found at finding 2011-01 of the accompanying Corrective Action Plan For Current Year Audit Findings, Schedule 5.

Page #2

This report is intended solely for the information and use of the Red River Parish Sheriff, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

December 20, 2011

SCHEDULE 4

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
2010-01	2009	The bank deposit balances of the Sheriff exceeded federal deposit insurance corporation (FDIC) coverage and the depositing banks did not pledge sufficient securities to cover the amount exceeding the FDIC's coverage.	Yes	This finding has been resolved.

SCHEDULE 5

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
2011-01	Actual revenues of the Red River Parish Sheriff were \$812,449 (6.26%) less than budgeted amounts in 2011.	The Red River Parish Sheriff's management will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.	Johnny Ray Norman Sheriff	12/31/2011

HINES, SHEFFIELD & SQUYRES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUYRES, CPA
JAY H. SHEFFIELD, CPA
JAMES S. SHEFFIELD, CPA

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

Honorable Johnny Ray Norman
Red River Parish Sheriff
P. O. Box 375
Coushatta, Louisiana 71019

We are writing this letter as a follow-up to our recent audit of the basic financial statements of the Red River Parish Sheriff, Coushatta, Louisiana, as of and for the year ended June 30, 2011. We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of the Red River Parish Sheriff and are intended to be constructive in nature:

Existing Conditions:

Actual revenues of the Red River Parish Sheriff were \$812,449 (6.26%) less than budgeted amounts in 2011.

LSA-R.S. 39:1310 requires the Red River Parish Sheriff to amend its budget whenever actual revenues and expenditures are projected to be less than or exceed budgeted amounts by more than five percent.

Recommended Action:

We suggest the Red River Parish Sheriff's adopted budget be closely monitored and amended whenever there has been a change in operations upon which the original adopted budget was developed. Care should be exercised to maintain actual revenues and expenditures within the five percent limit established by statute.

Management's Response:

The Red River Parish Sheriff's management will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.

These comments and recommendations are not all inclusive and are not intended to be critical of anyone. We would like to thank the Red River Parish Sheriff's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let us know.

Hines, Sheffield & Squyres

Natchitoches, Louisiana
December 20, 2011